

REGULATION

ANNE ARUNDEL COUNTY PUBLIC SCHOOLS

Related Entries: Policy GAM [800.11]
Responsible Office: DIVISION OF HUMAN RESOURCES

INSURANCE-ALL PERMANENT EMPLOYEES

A. PURPOSE

To establish procedures for the ongoing review of the employee benefits program to ensure a competitive benefits program for recruitment and retention while pursuing appropriate cost containment methods. To establish eligibility and proration terms for premium cost sharing by part-time employees.

B. BACKGROUND

Anne Arundel County Public Schools believes that employees should have a competitive benefits program which ensures a high quality of provider and customer service and lowest cost to Anne Arundel County Public Schools (AACPS).

C. DEFINITIONS

1. COBRA - The abbreviated term for the Consolidated Omnibus Budget Reconciliation Act. COBRA requires employers to provide continuation of healthcare coverage to separating employees and/or eligible dependents losing coverage for up to a minimum of 18 months. Other terms of coverage also apply. Employers may charge up to 102 percent of the premium.
2. Full Time Equivalent (FTE) - A full-time employee works 1.0 FTE. Employees working less than full-time employees are assigned a FTE based on the proportion of hours worked in comparison to those worked by a full-time employee. The FTE can vary based on the job and its assigned Unit.
3. Group Term Life Insurance – AACPS provides basic life insurance (Group Term Life Insurance) and accidental death and dismemberment (AD&D) insurance for employees in an amount pursuant to the applicable negotiated agreement.
4. Health Maintenance Organization (HMO) - A form of managed care health coverage typically at low cost and requiring care to be provided by doctors and other medical professionals who are members of the HMO. Only visits to professionals within the HMO network are covered and the designated primary care physician within the HMO handles referrals.

5. Permanent Employee - An individual hired to work a predetermined amount of hours per week in a position/appointment of indefinite duration.
6. Preferred Provider Organization (PPO) – A managed care healthcare plan whereby participants obtain care from a network of participating providers who accept the carrier’s negotiated payment for services rendered and accept a reasonable co-payment from participants. Also known as a PPN (Preferred Provider Network) PPO’s provide benefit coverage out-of-network at an increased cost to the participant.
7. Triple Option Plan (TOP) – A managed care healthcare plan that combines the benefits of the HMO (Level 1), the PPO (Level 2) and Out-of-Network with participant cost determined at the time of service based on the provider’s participation in a network.

D. PROCEDURES

1. Eligibility
 - a. Permanent employees, both full-time and part-time, are eligible for healthcare coverage.
 - b. Permanent employees over the age 18 are eligible for the AACPS Group Term Life Insurance program.
2. Effective Date
 - a. Health benefits become effective the first day of the month after the month in which the employee begins employment.
 - b. Life Insurance coverage becomes effective on the date of hire.
3. Plan Design
 - a. Terms of each health plan are established pursuant to the applicable negotiated agreement or Terms of Employment for respective employee groups established by the Board of Education as well as applicable Federal and State Mandates.
4. Funding
 - a. Premium Equivalent rates for full time employees are actuarially derived based upon claims history, trends and projections.
 - i. Full-time employees: The rate of employer funding for each plan is based upon the negotiated agreement or Terms of Employment for the respective group of employees.
 - ii. Part-time employees: A pro-rata amount of the employer funding for each plan is provided for employees working less than full time.

- a. Rates charged to part-time employees vary based on the FTE
- b. On an annual basis, the Division of Human Resources will assess all relevant information to recommend to the Superintendent or his/her designee:
 - (i) The number of tiers for employer funding of part-time benefits
 - (ii) The FTE range within each tier
 - (iii) The percentage of funding for each tier
- iii. COBRA- eligible participants: The actuarially derived rate plus 2% is the rate charged to former employees and their dependents upon the loss of their eligibility for the employee health plan.

Regulation History:

Developed by Superintendent 6/10/2009

Reviewed by Board of Education 8/18/2010

Issued 8/18/2010

Effective for new employees as of 01/01/11; effective for current employees as of 01/01/12

Note previous regulation history: None